

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND**

D.T.E. 05-54

Respondent: Marygrace Cerce
Date: October 4, 2005

Information Request DTE 1-3

- Q. If the prevailing three-month Treasury bill rates were to rise back to the minimum levels expected by the parties in D.T.E. 98-100 (i.e., 4 percent) prior to the expiration of the Joint Settlement, would Keyspan continue to seek a fixed incentive rate exceeding that level or propose to immediately return to the use of the three-month Treasury bill rate?
- A. KeySpan seeks the use of a fixed rate of 5 percent for Program Year 3. In its filing in D.T.E. 03-86, and in this proceeding, the Company has set forth its reasons in support of this request. Please refer to the prefiled testimony of Bruce A. Johnson, Attachment 4, Exhibit BAJ-1 of the Company's August 1, 2005 filing, and the Company's response to Information Request DTE 1-1.